



Comptroller Mychajliw Reports February 2013 Sales Tax Revenue

Serious concerns continue to be raised over significant drop in year to date sales tax collections, and Erie County's risky reliance on volatile sale tax proceeds as its largest source of revenue

(Buffalo) – Erie County Comptroller Stefan I. Mychajliw is reporting February 2013 sales tax revenue for Erie County to be \$34,461,986.36, approximately **\$1,965,071.14 lower** than the February 2012 sales tax revenue of \$36,427,057.50. This figure represents a **-5.39% decrease** in sales tax revenue for February 2013 compared to February 2012.

February 2012 Sales Tax Revenue: \$36,427,057.50
February 2013 Sales Tax Revenue: \$34,461,986.36
Difference: - \$1,965,071.14, **down 5.39%**

The year to date 2013 sales tax revenue collections for Erie County is even worse: a sluggish 0.83% growth:

January/February 2012 Sales Tax Revenue: \$65,028,403.88
January/February 2013 Sales Tax Revenue: \$65,565,782.35
Difference: + \$537,738.47, or 0.83% growth

In order for the administration to reach their projected sales tax growth for 2013, sales tax revenue would have to grow 3.73%. The year to date total of 0.83% for 2013 is nowhere near the administration's own targeted projection:

2011 Sales Tax Revenue: \$400,993,639
2012 Sales Tax Revenue: \$410,720,332
Administration's projected 2013 Sales Tax Revenue growth: \$426,033,687, or 3.73%

Comptroller Mychajliw has continued to responsibly sound the alarm on the possibility of significant gaps in the administration's 2013 budget because of incredibly optimistic sales tax revenue projections put forth by the administration of Erie County Executive Mark C. Poloncarz.

The same concern was even expressed by representatives of the Erie County Division of Budget and Management last month, when they expressed similar concern of whether or not sales tax projections for all of 2013 are realistic.

*"(We) hope that sales tax comes in better than we expect, but right now we don't think that is going to be the case. **We think the budget for sales tax this year is overly optimistic. We are not going to make budget on that.**"*

Source: Erie County Deputy Budget Director Dr. Timothy Callan, Erie County Legislature Finance and Management Committee, March 14th, 2013

"Our deep concern is that the administration's aggressive sales tax revenue projections could fall short and blow a big hole in this year's budget. I am pleased their own budget representative agrees with our office on this issue that could create significant fiscal shortfalls. We will continue to closely monitor sales tax revenue and report the data to the administration and legislators."

"Significant gaps could be created in the 2013 budget because of overly optimistic sales tax revenue projections put forth by the administration. The sluggish year to date growth of 0.83% for 2013 is nowhere near the administration's projected growth of 3.73%," said Comptroller Mychajliw.

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